MENTALLY ILL OFFENDER CRIME REDUCTION GRANT PROGRAM

Contract Administration Guide

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INTRODUCTION

Purpose of Grant Administration Guide

This guide is designed to assist counties in complying with requirements set forth in the Grant Agreement with the Corrections Standards Authority (CSA) for funds awarded through the Mentally III Offender Crime Reduction (MIOCR) grant program. In addition to reviewing key provisions of the Grant Agreement, the guide provides information about the CSA's grant administration policies and procedures. This information is highlighted with an arrow (\Rightarrow).

The Corrections Standards Authority

The CSA (formerly known as the Board of Corrections) is part of the California Department of Corrections and Rehabilitation. The CSA board is composed of 19 members. Fourteen of these members are appointed by the Governor and confirmed by the Senate; five are designated in statute. The appointed members represent specific elements of state and local juvenile and adult criminal justice systems and the general public. The CSA, with assistance and support from its Executive Director and staff, is responsible for a myriad of activities related to state and local corrections systems and issues. Among other things, the CSA:

- Develops and updates minimum standards for state and local correctional facilities and conducts biennial inspections of local facilities (jails, juvenile halls and camps) to monitor compliance with standards (Facilities Standards and Operations Division);
- Develops and monitors standards for the selection and training of local corrections and probation personnel as well as state correctional peace officers (Standards and Training for Corrections Division); and
- Administers state and federally funded programs designed to improve the effectiveness of the adult and/or juvenile justice system through grants or direct allocations to counties, cities and community-based organizations (Corrections Planning and Programs Division).

CSA's Grant Management Process

The CSA approaches its many responsibilities, including the management of grant programs, by working in partnership with grantees. This collaboration involves working closely with project directors, financial officers and other staff to ensure the successful implementation of projects as well as the responsible administration of grant funds.

➤ CSA staff monitors each grant-supported project. This monitoring includes on-site visits that give CSA staff an opportunity to observe program operations, discuss issues regarding grant administration, review data collection efforts and source documentation for claimed expenditures, and identify areas that may warrant technical assistance. To enable CSA staff to carry out its project monitoring responsibilities, the Grant Agreement provides that the CSA, or any authorized representative, will have suitable access to project activities, sites, and staff at all reasonable times during the grant period. Following the site visit, CSA staff will send a copy of the Monitoring Report to grantees.

MIOCR GRANT AGREEMENT:

KEY PROVISIONS, REQUIREMENTS AND COMPLIANCE PROCEDURES

The Grant Agreement between the CSA and the county for the MIOCR grant program is the State of California's Standard Agreement (STD 213) and is comprised of four components: 1) Sections 1 through 6; 2) Exhibit A (Grant Agreement Standard Conditions); 3) Exhibit B (Project Budget); and 4) Exhibit C (General Terms and Conditions).

The following is a description of the key provisions and requirements in each of these contract components, along with additional information – as applicable – of the process and/or procedures for meeting the outlined requirements. In a few sections, the guide refers to grant management information that will be posted on the CSA's web site. The site for all information related to the MIOCR grant program is http://www.cdcr.ca.gov/DivisionsBoards/CSA/miocrg.htm.

GRANT AGREEMENT: SECTIONS 1 – 6

<u>Project Summary</u> (Section 1): The Grant Agreement includes a brief description of the project and indicates, by reference, that the original grant application submitted through the Request for Proposals (RFP) process is a part of the Agreement.

<u>Project Officials</u> (Section 2): CSA staff communicates regularly with the individuals who administer grant-funded programs, particularly the project's director and financial officer, both of whom have specific grant management responsibilities.

Any changes to the contact information for the Project Officials must be submitted in writing (letter or email) to the grantee's assigned Field Representative. Likewise, CSA staff will notify the grantee of any changes in the assigned Field Representative.

<u>Data Collection and Reporting</u> (Section 3): Each grant program administered by the CSA is subject to some level of evaluation in order to determine if the program is having a positive impact on desired outcomes and to share that information with state and local decision makers.

To remain in compliance with the Grant Agreement, grantees must submit required data in the format and according to the timeline developed by CSA staff in conjunction with grantees. To help ensure that the data collection tool is meaningful and appropriate, CSA staff will solicit input from grantees before finalizing the data collection instrument and posting it on the MIOCR grant program web site.

<u>Semi-Annual Progress Reports</u> (Section 4): These reports assist CSA staff in monitoring compliance with the Grant Agreement, assessing progress toward stated goals, and identifying areas where the grantee may need technical assistance.

→ The form and instructions for submitting the Progress Reports are under development and will be available on the CSA's web site in early January 2007. The reports will be due within 45 days following the end of each six-month period of the grant.

<u>Quarterly Financial Invoices</u> (Section 5): Grantees are paid <u>in arrears</u> (i.e., on a reimbursement basis) for expenditures claimed through the on-line submission of quarterly invoices.

→ Grantees must submit invoices on Form 201 within 45 days of the end of each quarter during the grant. Form 201 and instructions for completing it will be posted on the CSA's web site. The Financial Officer must certify that each invoice submitted to the CSA is accurate and reflects actual expenditures incurred (Form 201 includes a certification checkbox). After the CSA receives an invoice, staff reviews it for accuracy. Should errors be found, staff works with the grantee to resolve identified discrepancies/errors. After approving the invoice, staff completes a claim schedule and transmits it to the State Controller's Office, which "cuts the check" (warrant) and mails it directly to the grantee's designated Financial Officer (along with a cover letter signed by an authorized CSA staff member). An approved copy of all invoices will be mailed to the Project Director. This process may take three to four weeks. Failure to submit invoices in a timely manner may result in payments being withheld, delayed, or denied.

<u>Availability of Funds</u> (Section 6): The Grant Agreement for the MIOCR grant program is valid and enforceable only if sufficient funds are made available by the Legislature.

EXHIBIT A: STANDARD CONDITIONS

<u>Amendment Requests</u>: The Grant Agreement between the CSA and county may be amended upon agreement of both parties. Amendments are used for major changes such as the grant award amount, obligated match amount, or grant period.

→ Grantees requesting a contract amendment must notify their assigned Field Representative, who will work with CSA staff in developing a one-page Contract Amendment form. As with the original contract, four copies of the Contract Amendment form will be mailed to the grantee (individual authorized by the Board of Supervisors' resolution to sign contract amendments). The grantee must sign and return all four copies to the CSA. The CSA will then sign the form and mail one fully executed copy of the Contract Amendment to the Project Director and Financial Officer.

Budget/Program Modification Requests: The Grant Agreement stipulates that no change in the project budget (Exhibit B) may be implemented without prior written approval from the CSA. CSA staff understands that projects may need to shift funds between line items during the course of the grant period. With appropriate justification, these requests will be approved.

→ Budget modification requests approved by the Project Director and Financial Officer must be submitted on-line to the CSA using Form 223. This form and instructions for completing it will be available on the CSA's web site. An approved copy of Form 223 will be mailed to the Project Director and Financial Officer.

The Grant Agreement also stipulates that no *substantive* change in project scope, as outlined in the MIOCR grant application, may be implemented without prior written approval from the CSA. Substantive changes are those related to the overall project design (e.g., use of a particular

evidence-based program model), specific program components (e.g., services offered), or target population.

➡ In order to ensure the integrity of the competitive RFP process used to award grants, CSA staff will carefully evaluate program modification requests, which must be submitted online to the CSA using Form 223. If the request is approved, a signed copy of Form 223 will be mailed to the Project Director and Financial Officer. Grantees should not submit a program modification request for minor changes (e.g., changes in project personnel or dates and time of service delivery). Minor changes may be implemented without approval from CSA staff; however, the grantee should notify (by email) its assigned Field Representative. Any questions about whether a program modification request is required for a particular change should be directed to the Grantee's assigned Field Representative.

<u>Supplanting of Funds</u>: State funds may only be used to <u>supplement</u> existing funds for program activities and may <u>not</u> replace (supplant) funds that have been appropriated for the same purpose. Violations may result in the recoupment of monies paid out to the grantee, the suspension of future funding from the CSA and/or civil and/or criminal penalties. Please refer to the final section of the guide for information on Eligible and Ineligible Costs.

<u>Subcontracting Requirements</u>: Grantees may subcontract with consultants and/or agencies (including community-based organizations) for project-related services. Grantees are responsible for ensuring that their subcontractors comply with the terms of the Grant Agreement, including requirements related to the maintenance of records and supporting documentation for the expenditure of state grants funds and/or local match.

<u>Withholding of Funds</u>: The CSA may withhold all or any portion of the grant funds in the event that the Grantee fails to comply with the terms and conditions of the Grant Agreement, including submission of progress reports and required data. In addition, the CSA will not reimburse the Grantee for costs identified by CSA staff or an auditor as ineligible for grant funding. If grant funds were provided for costs subsequently discovered to be ineligible, the CSA may withhold an equal amount from subsequent payments to the Grantee or require repayment of an equal amount to the state by the Grantee.

Record Keeping: The Grant Agreement requires Grantees to establish and maintain an official project file that contains documentation of all actions taken with respect to the project, including copies of the grant agreement, invoices and budget/program modifications, and financial records (i.e., supporting documentation for the expenditure of state funds and local match). Grantees must use generally accepted government accounting principles in documenting the expenditure of state grant and local match funds.

- → CSA staff will review the project's financial records during on-site monitoring visits to determine if it appears that Grantees are maintaining adequate documentation to substantiate state grant and local match costs claimed on invoices. Typically, this review focuses on supporting documentation for costs claimed on the most recently submitted invoice.
- → Based on the results of audits conducted on grant-supported projects, the following are examples of adequate supporting documentation for personnel and indirect costs.

• <u>Personnel Costs</u>: All full-time and part-time personnel services, whether supported by state grant or local matching funds, must be supported by documentation based upon a time-tracking system or process (e.g., employee time sheet). In most cases, a coded time sheet will serve as adequate supporting documentation. A person assigned full-time to the grant does not need to do a "time study." However, time sheets, payroll records, job descriptions, organizational chart and other similar supporting documentation would need to be maintained and available for that position.

With regard to personnel who in the normal course of their employment are not required to keep a coded time sheet, such as managers, supervisors, and other personnel providing less than full-time services to the grant, the Grantee must develop a time-tracking system or process. Determining an estimated percent amount of time at the beginning of the grant period and applying that percentage against the employee's salary and benefits throughout the life of the grant does <u>not</u> provide sufficient supporting documentation. At a minimum, the Grantee should identify one month out of the fiscal quarter when persons not providing full-time services to the project track, through the use of a time sheet, calendar or other tracking device, the time they spend during that month working on grant-related activities. The net amount of time dedicated to grant activities during that month should then be calculated as a percentage of the person's total available time during the month. That percentage then should be applied to the other two months of the quarter to calculate the estimated dollar amounts to be claimed for state grant funds or to be used as match for that quarter.

With regard to claiming in-kind match for volunteer services, the Grantee must determine the value based upon the type of work provided by the volunteers (e.g., an equivalent county wage for the services performed). In addition to documenting how the Grantee determined the value of volunteer services, supporting documentation should include information about when, where and for whom the services were provided.

• <u>Indirect Costs</u>: Pursuant to the Grant Agreement, a maximum of 10% of the grant award can be used to cover operational overhead and administrative costs (i.e., Indirect Costs) necessary for the success of the project. Supporting documentation can take the form of:

1) invoices, pay records, billing documents or other proof of actual costs or 2) a detailed cost allocation plan demonstrating how the county achieved the amounts claimed as Indirect Costs (e.g., an A-87 plan). In cases where a county has not claimed Indirect Costs for reimbursement with state funds, or where the actual cost or cost allocation plan of the county for administrative overhead is in excess of 10% of the grant award, the county may, with appropriate supporting documentation, use the excess amount as match.

<u>Audits</u>: The CSA reserves the right to call for a financial audit at any time between the execution of the grant agreement and 60 days after the end of the grant period. Should an audit finding occur, a corrective action plan must be submitted to the CSA, and any disallowed expenditures must be returned to the State within 120 days after completion of the audit.

EXHIBIT B: PROJECT BUDGET

<u>Project Budget</u> (Exhibit B): The Grant Agreement includes the project budget submitted during the application process by the grantee.

CSA staff will use the proposed budget in developing the on-line Excel files that each grantee will use in submitting quarterly invoices. Instructions for locating and using the on-line invoice system will be shared with project staff at the grantee briefing session. Each grantee's file will include the invoice (Form 201) and budget/program modification request form (Form 223). If and when it becomes necessary to make budget changes, the grantee must submit the modification form and get CSA staff approval on that request before completing the invoice for the same time period. CSA staff will then post the updated invoice form that reflects the changes approved through the budget modification process.

EXHIBIT C: GENERAL TERMS AND CONDITIONS

The Grant Agreement includes general terms and conditions that are required by the Public Contract Code, Government Code and other state laws (e.g., Recycling Certification, Non-Discrimination Clause, Child Support Compliance Act, Drug-Free Workplace Act). The provisions of Exhibit C, which is incorporated by reference into the Grant Agreement (cover page of STD 213), are available at www.ols.dgs.ca.gov/Standard+Language.

ELIGIBLE AND INELIGIBLE PROJECT COSTS

Unless otherwise noted, the information outlined below applies to the Grantee's expenditure and subsequent reimbursement of state funds as well as the eligible and ineligible use of local match funds. The lists of eligible and ineligible costs are not exhaustive. Any questions should be directed to the Grantee's assigned Field Representative.

Eligible Costs

Salaries and Benefits: The salaries and benefits of county employees and/or contract employees directly involved in grant-related activities.

Services and Supplies: Services and supplies necessary for the operation of the project (e.g., lease payments for vehicles and/or office space, office supplies) and/or services and supplies provided to participants and/or their family members as part of the project's design (e.g., basic necessities such as food, clothing, transportation, and shelter/housing; assistance in securing financial entitlements; and related costs).

Professional services: Project-related services provided by individuals, agencies and/or community-based organizations with whom the Grantee subcontracts. The Grantee is responsible for reimbursing the contracted employee/agency.

Indirect Costs (includes operational overhead and administrative costs): State grant funds dedicated to this line item may <u>not</u> exceed 10 percent of the grant award. As previously indicated, in cases where a county has not claimed Indirect Costs for reimbursement with state

funds, or where the actual cost or cost allocation plan of the county for administrative overhead is in excess of 10% of the grant award, the county may, with appropriate supporting documentation, claim the excess amount as match.

Fixed Assets: Equipment and other items needed to implement and/or operate the project (e.g., computers and other office equipment, including furniture).

→ The expenditure of grant funds for fixed assets exceeding \$1,000 per item requires prior approval from the CSA. The Project Director must submit a written declaration that the item to be purchased is: 1) to be used for services directly associated with the project, 2) essential to the success of the project, and 3) less expensive than leasing or renting the equipment for the grant period (based on a thorough investigation of options). CSA staff will respond, in writing, to this declaration. Grantees are not limited in the amount of local match funds that may expended on fixed assets and do not need CSA approval for these expenditures.

Other Costs: In-state travel costs for county employees, public/private contract employees, and volunteers/student interns if the travel is related to grant management (e.g., attending grantee briefings and other meetings conducted by CSA staff) or staff training/cross-training necessary for the success of the project (e.g., annual conference of the Forensic Mental Health Association). These costs should be claimed in accordance with county travel policy.

Ineligible project costs

- Site acquisition and/or construction costs, with the exception of lease or rental payment for program-related space and renovation costs necessary for the delivery of services associated with the project. Grantees must secure prior approval from CSA staff for renovation costs.
- Out-of-state travel costs.
- Personal injury compensation or damages arising out of, or connected with, the project, whether determined by adjudication, arbitration, negotiation, or otherwise.
- Fines and penalties due to violation of, or failure to comply with, federal, state, or local laws and ordinances, and costs arising out of, or attributable to, the Grantee's malfeasance, misfeasance, mismanagement or negligence.
- Costs arising out of, or connected with, subcontract claims against the Grantee, or those persons for whom the grantee may be vicariously liable, including but not limited to costs related to the defense or settlement of such claims.
- Lobbying or fundraising activities.
- Costs incurred prior to, or in violation of, the Grant Agreement.